

The Bingo License and Tax Act ("Act") (230 ILCS 25/1 et seq.) requires that any bona fide religious, charitable, labor, fraternal, youth athletic, senior citizen, educational, or veterans' organization organized in Illinois be licensed in order to conduct bingo games. (This is a GIL).

September 7, 1999

Dear Mr. Xxxxx:

This letter is in response to your letter dated August 6, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

I am a Board Director for ASSOCIATION. Our Social Committee is interested in conducting a bingo game as a social event for our residents. Based on a conversation I had with PERSON of the Illinois Gaming Commission on this date, I understand that we cannot legally give prizes, including cash, to bingo winners if we charge for admission or cards. However, I'm told that if there is no charge of any kind to play bingo, we are at liberty to give prizes, including cash, to the winners.

I had asked PERSON for a letter to that effect, and she referred me to your office. Therefore, I am requesting that you send me a letter stating that it is permissible legally to award prizes, including cash, in a bingo game conducted by our Association if no charge is required of the players to play bingo. Our Social Committee has a monetary fund from which we pay for entertainment charges that exceed event receipts. In the case of bingo, there would be no receipts since there would be no charges, and the bingo prizes would be paid for from the monetary fund.

I will truly appreciate an early reply because we need to resolve this matter at our next Board meeting later this month. Thank you in advance for your consideration and input.

The Illinois Department of Revenue is charged with administering the Bingo License and Tax Act, which defines bingo as:

"the form of lottery authorized by the Act [Bingo License and Tax Act] in which prizes are awarded on the basis of designated numbers or

symbols in a card for which consideration has been paid, conforming to numbers or symbols selected at random."

Such bingo games may be conducted only by bona fide religious, charitable, labor, fraternal, youth athletic, senior citizen, educational, or veterans' organizations licensed by the Department.

If no charges are made to play the game of bingo, the bingo game is not within the scope of the activities for which licensure is required. One example is games played solely by corporate employees at no charge as an incentive for worker safety. Since the employees are not required to pay a charge in order to play the bingo game, a license is not required. Prizes may be awarded under these circumstances.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.